

State of California
BOARD OF EQUALIZATION
DIESEL FUEL TAX REGULATIONS

Regulation 1470. RECORDS.

References: Sections 60044, 60107, 60201, 60202, 60204, 60204.5, 60205, 60205.5, 60206, 60604, 60605 and 60606, Revenue and Taxation Code.

(a) GENERAL. A taxpayer shall maintain and make available for examination on request by the board or its authorized representatives, records in the manner set forth at California Code of Regulations, Title 18, Section 4901.

(b) SPECIFIC APPLICATIONS. In addition to the record keeping requirements set forth in subdivision (a), suppliers, ultimate vendors, retail vendors, and users, shall comply with the following requirements.

(1) **SUPPLIER'S RECORDS.** A supplier shall maintain complete records of all rack removals, sales, imports, and exempt dispositions including exemption certificates, self-consumed diesel fuel, inventories, purchases, receipts, and tank gaugings or meter readings, of diesel and any other fuel that is required to be accounted for on the supplier's return or report. Such records include but are not limited to:

- (A)** Refinery Reports related to the production of diesel fuel.
- (B)** Inventory reconciliation by location.
- (C)** Storage inventory reports.
- (D)** List of storage locations.
- (E)** Tax returns from other states to support export claims.
- (F)** Cardlock statements.
- (G)** Calculations or formulas to support off-highway exempt usage.
- (H)** First Taxpayer Reports.
- (I)** Support for claimed Supplier bad debts.

(2) **ULTIMATE VENDOR'S RECORDS.** An ultimate vendor shall maintain complete records of all sales, exports, or other dispositions of tax-paid diesel fuel for which a claim for refund is being made, including exemption certificates, self-consumed fuel, inventories, purchases, receipts, and tank gaugings or meter readings, of diesel fuel and any other fuel the use of which is accounted for on the ultimate vendor's claim for refund. Such records may include but are not limited to:

- (A)** Purchase invoices for undyed tax-paid diesel fuel.
- (B)** Purchase invoices for dyed ex-tax diesel fuel.
- (C)** Delivery tickets for diesel fuel exported.
- (D)** Tax returns from other states to support diesel fuel export claims.
- (E)** Copies of United States Government purchase orders or United States Government credit card receipts.
- (F)** Cardlock statements.
- (G)** Calculations or formulas to support off-highway exempt usage of diesel fuel.

(3) **ULTIMATE VENDOR'S SALES INVOICES.** The ultimate vendor shall prepare a serially numbered invoice for each sale of diesel fuel. A single invoice or a single cardlock statement covering multiple deliveries of diesel fuel made during a period of time not to exceed a calendar month shall constitute an invoice for each sale. If the multiple delivery invoice or cardlock statement includes both tax-exempt deliveries with respect to which the ultimate vendor is excused from collecting the tax and deliveries upon which the tax is required to be collected, the invoice or cardlock statement shall contain or be accompanied by a statement showing separately the deliveries and gallonage upon which the tax is collected and the tax-exempt deliveries and gallonage. The invoice or cardlock statement shall be delivered to the purchaser, and a copy thereof shall be retained by the ultimate vendor.

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A sales invoice or cardlock statement shall contain the following information:

- (A) The name and address of the ultimate vendor.
- (B) The name of the purchaser.
- (C) The date of sale.
- (D) The number of gallons of diesel fuel sold, the price per gallon and the total amount of the sale.
- (E) The amount of the diesel fuel tax collected, however, the amount of the tax collected need not be separately stated if the invoice bears the notation that the price includes the tax.
- (F) A statement that there is no evidence of dye in the undyed diesel fuel included in the invoice or cardlock statement.
- (G) The dyed diesel fuel notice for dyed diesel fuel included in the invoice or cardlock statement.

(4) RECEIPT FOR TAX PAID TO A RETAIL VENDOR. The sales invoice shall upon payment by the purchaser constitute a receipt for the amount of diesel fuel tax included therein collected by the retail vendor.

The sales invoice shall contain the information in (A), (B), (C) and (D). The sales invoice or similar document shall also include the information in (E) and (F).

- (A) The name and address of the retail vendor.
- (B) The date of sale.
- (C) The number of gallons of diesel fuel sold, the price per gallon and the total amount of the sale.
- (D) The amount of the diesel fuel tax collected, however, the amount of the tax collected need not be separately stated if the invoice bears the notation that the price includes the tax.
- (E) A statement that there is no evidence of dye in the undyed diesel fuel included in the invoice.
- (F) The dyed diesel fuel notice for dyed diesel fuel included in the invoice.

(5) USER'S RECORDS. The user shall maintain complete records of self-consumed diesel fuel, inventories, purchases, receipts, and tank gaugings or meter readings, of diesel fuel and any other fuel the use of which is subject to the diesel fuel tax. Records shall also support any calculations or formulas used to claim exempt percentages of exempt usage of diesel fuel.

(6) USER'S INVOICES. Users of diesel fuel subject to the tax shall obtain from the retail vendor of the diesel fuel and retain in their files an invoice for each delivery of such diesel fuel into the fuel tank or tanks of each vehicle operated by them and for each delivery into their bulk storage tank or tanks. These invoices shall set forth the information specified in subsection (b)(4) of this regulation and shall be filed or identified in a systematic manner so that they may readily be traced into their purchase or expense records and into their tax returns or claims for refund to the board.

Users should keep as part of their records a detail of figures upon which are based the totals set forth on their tax returns or claims for refund to the board. When diesel fuel is placed into the fuel tank of a qualified motor vehicle, either the user or the retail vendor should identify on the invoice the qualified motor vehicle into which the diesel fuel was placed. All individual invoices supporting charge accounts which include purchases of diesel fuel shall be retained by the user in such manner as to enable the representatives of the board to establish the identity of all the merchandise or service included in the total charge and the specific gallonage of diesel fuel purchased.

History: Adopted December 9, 1998, effective March 31, 1999.

Amended February 5, 2003, effective May 28, 2003. The underscored citation indicates an electronic hyperlink to the cite.

Common administrative provisions for special taxes programs have been consolidated in Chapter 9.9 Special Taxes Administration. General recordkeeping requirements can be found at the cite referenced in subdivision (a). Subdivision (b) has been added to identify additional recordkeeping requirements for diesel fuel suppliers.